

the service of the local citizens. After leaving the grocery store business, Ms. Day ran for County Commissioner to give back to the community that had given so much to her. Her commitment to the wellbeing of the citizens of Custer County is honest and sincere and was ever present in her everyday actions. Cleo has served Custer County, her state and nation admirably and she will be missed.

It is with this, Mr. Speaker, that I say thank you and congratulations to this public servant and wish her all the best in her future endeavors.

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#### ON THE INTRODUCTION OF A BILL TO REMOVE THE CAP ON MEDICAID FOR THE U.S. TERRITORIES

#### HON. DONNA MC CHRISTENSEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 7, 2000*

Mrs. CHRISTENSEN. Mr. Speaker, I rise today to introduce a bill, along with my colleagues from Guam, American Samoa and Puerto Rico, to remove the cap on Medicaid payments to the Territories and to increase the Medicaid statutory matching rate. Providing indigent U.S. citizens in the Territories with the dollars necessary to adequately meet their health care needs is not just a necessity, but I believe is a Civil Right.

Since 1997, eliminating the disparities in health care between the majority and minority populations in the mainland U.S. has been a major focus of the Clinton Administration. While this is an important goal and one which I wholeheartedly support, because of the cap on Federal Medicaid assistance to the Territories, my constituents and those of my fellow Congressional Delegates unfortunately do not benefit very much from this effort.

The lack of adequate health care for the over 4 million residents of the territories in both the Pacific and the Caribbean is largely due to the cap on federal funding in the Medicaid. Additionally, this fact is sadly compounded because the Territories, in large measure have not enjoyed the economic success that the mainland U.S. is enjoying. With reports every day of record federal budget surpluses, the time is right for the Federal government to fulfill its commitment to the health care needs of the people of the offshore areas.

I urge my colleagues to join us in this effort to address this most basic and fundamental need of our fellow citizens.

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#### DOMESTIC SPIRITS TAX EQUITY ACT

#### HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 7, 2000*

Mr. COLLINS. Mr. Speaker, today I am introducing a bill, along with my colleague, Representative RICHARD NEAL, to end the unequal tax treatment imposed on U.S. produced distilled spirits. At a time when other countries adopt tax laws to favor their own domestic industries, it is ironic that current U.S. tax law favors foreign products at the expense of U.S.-made products. Regrettably, that is the case with respect to distilled spirits. As mem-

bers of the Committee on Ways & Means, both Mr. NEAL and I have worked for some time to correct this inequitable situation.

Current law allows wholesalers of imported spirits to defer the federal excise tax ("FET") on such products until they are removed from a custom bonded warehouse for sale to a retailer. In contrast, the FET on U.S. produced spirits must be paid "up front" when the wholesaler purchases the product from a distiller; custom bonded warehouses cannot be used for domestic distilled products. This means that the FET on U.S. produced spirits must be prepaid by the wholesaler, and carried as a part of his inventory cost for as long as it takes to sell that product out of his warehouse.

Couple this disparity in time of payment with the fact that distilled spirits are the most highly taxed of all products, and you begin to understand the seriousness of the problem. At \$13.50 per proof gallon, the FET represents virtually 40 percent of the average wholesaler's inventory cost. To make matters worse, that wholesaler will generally carry that inventory for an average of 60 days before it is sold to a retailer. The bottom line is that U.S. tax policy favors the sale of imported spirits and creates a significant financial burden for wholesalers of domestic spirits—most of which are small, family-owned businesses operating within a single state.

For the past ten years, the wholesale tier of this industry has advocated a tax law policy change referred to as "All-in-Bond." Mr. NEAL and I sponsored the "Distilled Spirits Tax Simplification Act" at the beginning of the 106th Congress to effectuate this policy change. Simply put, it would have permitted wholesalers of domestic spirits to become bonded dealers, effectively deferring payment of the tax until sale to a retailer—as is already the case with imported spirits.

Given the obvious inequity of current law, the bill attracted the co-sponsorship of 75 of our colleagues from both sides of the aisle. As a consequence, Mr. Neal and I were successful in attaching the bill to a major tax reduction measure coming out of the Committee on Ways & Means last summer, which was subsequently approved by this body.

However, Treasury/BATF had unwarranted concerns about noncompliance and suppliers objected to a proposed fee that was required to offset any revenue costs to the federal coffers. As a result of these objections, we agreed to drop the provision in conference and go back to the drawing board to develop a better solution to the problem.

The "Domestic Spirits Tax Equity Act" is that better solution.

The purpose of this legislation is to compensate wholesalers for the unequal burden imposed on U.S. produced distilled spirits under current law. We do so by allowing qualified wholesalers of domestic spirits a prepaid tax adjustment tax, or PTA, which is a credit against their annual federal income tax.

The PTA is determined through a simple formula. It is equal to 40 percent of the amount paid for domestically produced spirits, times the IRS' applicable federal rate over a 60-day period. The PTA was crafted with simplicity in mind. The elements of the formula are easily verifiable and understandable by the wholesaler and the IRS, and the formula results in an accurate overall measure of the unequal float costs. In addition, unlike the All-in-Bond proposal, this bill does not change the current FET collection system.

Mr. Speaker, I urge my colleagues to join me in this effort to eliminate the unequal tax treatment imposed on U.S. produced distilled spirits. The PTA is a simple and targeted solution, which addresses the problem, and I look forward to passing this measure into law.

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#### HONORING HAROLD WESTESEN

#### HON. SCOTT MCINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 7, 2000*

Mr. MCINNIS. Mr. Speaker, I would like to take a moment to honor a remarkable gentleman, Harold Westesen, of Olathe, Colorado. Mr. Westesen was recently honored by Mayor Bill Patterson of the Montrose Rotary Club who declared an official "Harold Westesen Day" in Olathe. Mr. Westesen's contributions to the citizens of western Colorado are great in number and deserve the recognition of Congress.

Mr. Westesen came from a family where education and hard work were part of everyday life. Throughout his life, he has exemplified these characteristics, earning two degrees from major institutions: a Physics and an Electrical Engineering degree from Colorado College and Purdue University, respectively. After finding competition in these fields unseemly, Harold moved to farming in the 1930's where he remained for the next 40 years.

Mr. Westesen always worked hard to make a living, but he also found time to give back to his community. Such public works as the Ridgeway Dam would not have been possible if it hadn't been for his participation. What's more, he spent over 25 years on the Montrose Memorial Hospital Board improving the health services of his community. He also spent nearly ten years as president of the Tri-County Water Conservancy District Board, making sure that farmers of western Colorado received the much needed water they deserved.

Mr. Westesen has worked hard not only for his family but also his community. His efforts to improve the health care and water issues have made western Colorado a better place to live. Mr. Westesen has gone out of his way to make where he lives a better place for all. It is with this, Mr. Speaker, that I say thank you to Harold Westesen and congratulate him on having a day named in his honor.

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#### FIRST LIEUTENANT JOHN ARTHUR KEEPNEWS, UNITED STATES MARINE, MANHASSET, NEW YORK

#### HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, September 7, 2000*

Mr. KING. Mr. Speaker, this year marks the 25th Anniversary of the end of the Vietnam War. We remember the brave and gallant service and the great sacrifice made by the sons and daughters of our great nation who served in that war. Even more important, we remember the great sacrifice made by the parents, spouses and families of those sons and daughters.